

The Strange Case of Dr. Taxpayer and Mr. Charity A Fairy Tale of Institutionalized Solidarity

Prof. Paolo Silvestri (University of Catania)

'Institutionalized solidarity' seems an oxymoron, if not a paradox: altruism, gift-giving or solidarity cannot be institutionalized, let alone legally enforced without losing some of their characteristics such as spontaneity, freedom and/or voluntariness. Percentage Tax Institutions (PTIs), also known as Percentage Philanthropy Laws, seem to be at the heart of this paradox. They are fiscal institutions through which taxpayers can designate a certain percentage of their income tax to organizations whose main activity is of public interest: Churches, Non-profit and NGOs, Scientific or Health research, Local municipalities, environmental activities or for the cultural and landscape heritage, etc.

PTI have been in place in several Central and Eastern European countries for many years, and yet very few studies have attempted to provide a normative and/or empirical explanation for them. This is also because legislators in these countries introduced these institutions with different motivations and justifications, for example, in Italy, as a way to implement the constitutional principle of horizontal subsidiarity, realizing a new type of "fiscal subsidiarity" (Antonini 2012) and the outsourcing of some public goods/services (from welfare state to 'welfare society'), while in post-communist Eastern European countries, as a way of nurturing "fiscal democracy", the development of organized civil society (third sector) and the "culture of gift-giving/altruism" (Török & Moss 2004; Bullain 2004). Some scholars have tried to provide a theoretical account of PTI in the light of the "voluntary exchange" paradigm (from Wicksell to Buchanan) and as a liberal and "contractarian approach to the provision of public goods" (Sugden 2018), or as a "new form of voluntary tax justice" (Silvestri 2021).

In this lecture, by relying on some previous theoretical and empirical research (Silvestri, Chiadò, Lo Presti 2020; Silvestri, Kesting 2021; Silvestri 2021), I try to explain the 'strange', hybrid institutional character of PTIs – that is, at the intersection of private and public, civil society and state, philanthropy and taxation – and the related 'strange' character of taxpayer's choice – between freedom and obligation. I argue that PTIs and taxpayer's choice can be normatively justified and empirically understood as a form of "Gift-without-sacrifice" and "Taxpayer's sovereignty" (or quasi-voluntary taxation) implying two kinds of freedom: autonomy and choice. All in all, I show how PTIs force us to see the paradox of institutionalized solidarity in a new light.